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Your reference

Our reference

Date
24 January 1989

Dear Mr Azzam,

Thank you for your letter to Mr Waldegrave of 16 January. I have been asked to reply.

Due to the number of letters we have received it is not possible to give each an individual reply. But I enclose a copy of Mr Waldegrave's statements in the House of Commons on 17 January. I trust this sets out British policy on the points raised in your letter.

Yours sincerely
Lisa Maley

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NEAR EAST AND NORTH
AFRICA DEPARTMENT

Tunis (Ministerial Visit)

3.31 pm

Mr. Gerald Kaufman (Manchester, Gorton) (by private notice): To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the visit on his Minister of State to Tunis.

The Minister of State, Foreign and Commonwealth Office (Mr. William Waldegrave): I visited Tunis from 12 to 16 January for meetings with Tunisian leaders and to chair a meeting of the heads of British missions in the region. While there I met the PLO Chairman, Mr. Yasser Arafat. This meeting followed the statement made in London on 9 December by Mr. Bassam Abu Sharif, a senior PLO adviser, and the commitments made by Mr. Arafat in Geneva on 14 December. Both these met our long-standing conditions for further ministerial contact with the PLO.

Mr. Kaufman: Does the hon. Gentleman agree that the continued death toll in the Israeli occupied territories, including daily shootings of Palestinian children and teenagers as well as the deaths of Israeli Jews, is unacceptable and must be stopped? Will he agree not only with me but with the senior Israeli army officer and with the Israeli Minister of Defence, Yitzak Rabin, whom I met during my visit to Israel from which I returned earlier this month, that the Palestinian intifada, now in its fourteenth month, can be brought to an end only by a political solution? That remains true even with the harsher measures announced today by the Israelis. They may kill more Palestinians; they will not kill the intifada.

Will the hon. Gentleman agree further that Yasser Arafat's statements in Geneva last month have made a political solution available? Did Chairman Arafat say to him last week in Tunis, as he certainly did to me, that at an international conference the Palestine Liberation Organisation would be ready to compromise in order to reach a negotiated settlement and that the PLO would be ready to consider participating in a joint Arab delegation to such a conference? Will he therefore reaffirm that an international conference under the auspices of the five permanent members of the Security Council is by far the best mechanism for solving this tragic problem, of providing both security for Israel and justice for the Palestinians?

It is inevitable that sooner or later Israel will speak to the Palestine Liberation Organisation. The Israeli Government should see sense. They should be willing to test the good faith of the PLO. They should choose peace by negotiation. They should agree to talk now. It is time to end the spilling of blood in the Holy Land.

Mr. Waldegrave: It is seldom, I think, that I have faced a series of propositions put by the right hon. Member to which I can answer yes with such confidence. The truth is that we believe British Government policy remains the same. It remains as the right hon. Gentleman has just stated it, that we believe that there should be a political solution, and we also believe that conditions now are propitious for steps towards such a solution. It is easy to understand why the Israeli people have deep anxieties. Our belief is that the steps taken by the PLO should, in the words of the noble Lord Rothschild, now be tested by searching negotiations.

Mr. Michael Latham (Rutland and Melton): I wholly endorse my hon. Friend's last remark.

For the avoidance of doubt, following my hon. Friend's worthwhile meeting with Mr. Arafat, will he confirm that it is not British policy to support without any question the setting up of an independent Palistinian state on the west bank of Gaza?

Mr. Waldegrave: I can give my hon. Friend the assurance that he seeks. It remains our belief that some kind of confederative state with Jordan is the right outcome and, as the right hon. Member for Manchester, Gorton (Mr. Kaufman) said, one of the positive steps that has been taken by Mr. Arafat, affirmed in the clearest terms to me, is to say that that is not an option for the PLO; it is the objective of the PLO.

Sir Russell Johnston (Inverness, Nairn and Lochaber): First, is the Minister aware that hon. Members on both sides of the House would congratulate him on the way in which he conducted the meeting? Secondly, was it his clear impression that Mr. Arafat was willing to have negotiations on the firm basis that the reality and the security of the state of Israel would be recognised? Thirdly, did he have any talks about the difficult question of Jerusalem?

Mr. Waldegrave: I am grateful to the hon. Gentleman for what he has just said and for the terms of his question to my right hon. Friend the Prime Minister earlier. The PLO is stating—this is what should now be tested—that it has made an historic shift from a one-state solution to a two-state solution, which assumes that there will be a home for Israel behind secure boundaries and that, in confederation with Jordan, there should be territory in which the Palestinians live. That, surely, is a great step forward.

It would not be right at this stage to start to explore the issues that we can all see should be negotiated between the principal parties at the conference for which we are all working.

Sir Peter Blaker (Blackpool, South): Is my hon. Friend aware that Conservative Members will join with the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) in congratulating my hon. Friend on the efforts that he is making to ensure peace between Israel and the Arab countries? Has not the time now come for the friends of Israel to make it clear that the world will also expect Israel to explore the possibilities of peace, otherwise a great opportunity may be missed?

Mr. Waldegrave: The seriousness with which the House and many people in Britain take these issues is due to the fact that there are so many genuine friends of Israel in the House who fear for the long-term security of that nation and its people if the right steps are not taken. In that I would strongly associate myself with what my right hon. Friend said. Surely in the long term Israel can exist, as all Israeli leaders past and present know, only if she has secure borders that are agreed with her neighbours.

Mr. Greville Janner (Leicester, West): On the day after a savage letter bomb intended for Israel's ambassador in London was intercepted, does the Minister not see that this issue is highly sensitive? Does he appreciate that he is more likely to succeed in what we all want, which is bringing people to a negotiating table, through private

persuasion rather than by publicly lecturing and tactlessly attacking Israel's democratically elected leaders while sitting beside the man who, until recently, was responsible for a series of savage terrorist attacks on Israel's people?

Mr. Waldegrave: I lectured no one and the Government are second to none in their opposition to all forms of terrorism. Let me try once again to leave with the House and the hon. and learned Gentleman the message that I was trying to get across. Let me use words which come from a book which the majority of hon. Members share with the majority of people in Israel—the book of Ecclesiastes—which says that there is

"A time to kill, and a time to heal . . . a time of war, and a time of peace."

We believe that there is just now a concatenation of events which might lead to peace.

Sir Geoffrey Finsberg (Hampstead and Highgate): Will my hon. Friend accept that what he has been saying is utter common sense and that it is time that the Government of Israel sat down, under these new conditions, to see whether there is as much in it as most of us hope? Does he agree that the recent initiative of the Council of Europe to try to bring together the disparate nations in the middle east may be worth pursuing?

Mr. Waldegrave: I agree. Although I reaffirm that the central part in these matters must lie with the United States. Europe—and Britain within Europe—has an important role. We welcome also the steps that will be taken by the troika of the past presidency, the present presidency and the next presidency of the European Comunity at the end of January, which will be helpful.

Mr. Ernie Ross (Dundee, West): I congratulate the Minister on his successful discussions with the Palestine Liberation Organisation, which followed the discussions I and my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) had with that organisation. The Minister should feel confident that he speaks for not only both sides of the House when he is speaking to the PLO and in subsequent statements, but for the overwhelming majority of people in this country, who believe that if one is to be a proper friend one must tell the truth. The Palestinians want peace, and they want to sit down with the only people with whom peace is possible—the Israelis. It is the responsibility of any sensible politician to make that clear on each and every occasion possible.

Mr. Waldegrave: Both in the terms of what the hon. Gentleman has said and in the terms and content of what the right hon. Member for Gorton said, we are surely sending a message from the House that there is a basis of all-party support for our approach. The hon. Gentleman is right in a further matter. We would not bother to speak in such terms—I hope that everybody will realise that they come from the heart—unless we cared about the future of Israel.

Sir Dennis Walters (Westbury): Does my hon. Friend accept that his meeting with Mr. Arafat has been greatly welcomed and that his perfectly sensible and accurate comments about the Israeli Prime Minister should not be allowed to obscure the reality, which is that the PLO has now accepted resolutions 242 and 338 and agreed to renounce any form of violence? What is Israel's response? Does Israel accept the resolutions, and is it prepared to talk about peace and a two-state solution?

Mr. Waldegrave: My hon. Friend is right. It is because the PLO has met the long standing tests that the British Government have laid down for ministerial contact that I met Mr. Arafat. The British Government have been among those who have been most careful and often difficult in the eyes of some Arabs, about contact with the PLO. We hope, therefore, that our friends in Israel will note that and note that we are unlikely to have taken that step unless we had considered it carefully. We hope that Israel will take that as some reassurance that it too should take further steps.

Mr. David Winnick (Walsall, North): Is it not clear that if Israel refuses to negotiate in any circumstances, two results will flow from that? One is that Israel will become increasingly isolated even from its friends in western Europe. The second is that it will be a victory for those in the Arab world who decisively reject what the PLO has decided to do. It will be the Gaddafis of this world who will be victorious. Is it also not the case that what the Minister said was right? There is no need for us to be critical of the Minister. I speak as one who has not wavered for a moment since 1948 in my support for the right of Israel to exist, although I have certainly never supported many of its policies. I supported Israel in the war of independence in 1948, and I supported, in the House, Israel's actions in 1967.

Mr. Waldegrave: There have been occasions in the past when I have agreed with the hon. Gentleman's first sentence or two but I have never before had a question from him with which I could agree throughout.

Mr. Tony Marlow (Northampton, North): Have the Government qualified their support for Palestinian self-determination by saying that they accept it only if it is in confederation with Jordan? This surely is a decision that the Palestinians must be allowed to make. Many people will be very interested in my hon. Friend's answer.

Mr. Waldegrave: It is not a matter of our accepting or not accepting a solution. Mr. Arafat himself made it clear to me—and, I think, to the right hon. Member for Gorton—that that is the objective of the PLO. It seems to us a very sensible objective, and we support it.

Mr. Harry Cohen (Leyton): I congratulate the Minister on his fruitful visit, and my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), who also had a succesful visit. I accept that Mr. Arafat's statements at Algiers and Geneva represent a step forward. While urging Israel to come to the negotiating table, however, will the Minister also urge it not to push ahead with proposed new settlements in the occupied lands as that proposal is immensely provocative and would be a backward step in terms of achieving peace?

Mr. Waldegrave: I am grateful to the hon. Gentleman for the first part of his question. On his latter point, there is indeed a problem. I understand that the new Government in Israel have proposed greatly to slow down the creation of new settlements. That is welcome in itself, but I suppose that every new settlement produces an additional problem ultimately for the negotiations that we hope will come about in the end.

Mr. Ivan Lawrence (Burton): Is my hon. Friend aware that everyone applauds his good intentions and the good sense of what he has had to say today? Is he also aware that

[Mr. Ivan Lawrence]

it is a very odd kind of diplomacy in which the honest broker begins by humiliating and offending one of the parties to the dispute? Will he please be more careful in future?

Mr. Waldegrave: I certainly did not intend to humiliate anybody. The state of Israel and its leaders are powerful and confident. As I said earlier to the hon. and learned Member for Leicester, West (Mr. Janner) the great gift of statesmanship is surely to know when to lay down arms and move to peace.

Mr. Stuart Bell (Middlesbrough): As one who has recently been in Israel, will the Minister confirm that the question of secure borders is a question of life and death for Israel and that there must therefore be some reluctance on the Israelis' part to deal with the PLO? Does not the Minister agree that 1·2 million Israelis nevertheless voted at the last election for discussions about the future of the west bank? Does he further agree that, now that we have been discussing Palestine in the House for about 60 years, only an even-handed approach to both parties can have any constructive effect in the middle east?

Mr. Waldegrave: I strongly agree with what the hon. Gentleman has said. Even-handedness is the objective of our policy. I hope that I shall be visiting Israel shortly and no doubt I shall say things to the Israelis that may be unpalatable to some on the Arab side. There are sensitivities on both sides, but we should not be so careful to avoid offending everyone's sensibilities that we say nothing.

Mr. Andrew Mackay (Berkshire, East): Is my hon. Friend aware that many of us who have been associated with, and indeed are officers of, the Conservative Friends of Israel strongly endorse his meeting with Mr. Arafat in Tripoli last week and look forward to the Israeli Government shortly finding themselves able to explore negotiations directly with the PLO?

Mr. Waldegrave: The support of my hon. Friend is particularly valuable as his work on this issue is well known. I believe that he is right about what is needed and that the job of those who wish Israel well is to help to map out strategies that can lead ultimately to the conference which we all support.

Mr. Rupert Allason (Torbay): Is my hon. Friend aware that, in the wake of the Lockerbie air disaster, Yasser Arafat allegedly offered to supply information and assistance to help the American authorities to track down the terrorists responsible? Can he assure the House that that was one of the topics that he took up with the Chairman of the PLO when he met him?

Mr. Waldegrave: Yes. I thanked Mr. Arafat for what he had said, which was welcome in this country, and said that if any help could be given it would help to still those who doubted his sincerity. That must be true, although I am in no position to know whether he can give any help.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Does my hon. Friend accept that it is widely to be welcomed that there is a spirit in the House that Israel and the Arab nations need to talk about the future of the middle east? Does he recall the wise words 20 years ago of Mr. George Brown, the then Foreign Secretary, who said, "The Arabs can afford to lose more than one war; Israel cannot afford to lose one."? Does my hon. Friend agree that if we are to have peaceful talks, the nation of Israel, which shines as a beacon of people who have been oppressed throughout the ages, should say, "Whatever talks take place, we must have more than paper promises that we shall be allowed to exist"?

Mr. Waldegrave: I wholly agree with the sentiments quoted by my hon. Friend, which emphasise two points. The first is the importance of achieving a peaceful settlement from Israel's point of view, and the second is the fact that we should test and work with those in the Palestinian movement and in the Arab states who are talking the language of diplomacy, not the language of terrorism. My hon. Friend is quite right: more than words will ultimately be needed, and Israel must ultimately have secure frontiers that are agreed and guaranteed.

Mr. Peter Shore (Bethnal Green and Stepney): If Mr. Arafat has agreed to a confederal solution with Jordan, which is a welcome and important step, does that mean that the PLO is abandoning its previous insistence that the capital of a new PLO-based or PLO-agreed state would have to be Jerusalem?

Mr. Waldegrave: In answer to the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston), I said that I did not think that it was right in that meeting to ask the PLO—any more than I would ask the Israelis—to put its position on the central issues that will need to be negotiated at the peace conference on the table in too much detail at that point. The issue to which the right hon. Member for Bethnal Green and Stepney (Mr. Shore) has referred will clearly be one of the most thorny issues facing that peace conference. It would not be fair to the negotiating teams that we hope to see emerging on both sides to press them now to lay all their cards on the table.

Mr. Ian Taylor (Esher): My hon. Friend is absolutely right to take the lead in this matter, given the difficulties that the United States has traditionally had in coming out clearly. Will my hon. Friend confirm that he has the support of the 11 other members of the European Community for his initiative? When he goes to Israel, will he continue to remind the Israelis that the foundation of the state of Israel was not without violence and that we must therefore try to look at Mr. Arafat in the terms that he is now putting forward?

Mr. Waldegrave: I agree with my hon. Friend. Members of the European Community are taking parallel positions on this issue, and the troika will meet Mr. Arafat later this month. In response to the latter part of my hon. Friend's comments, yes, we are saying that the PLO seems to be saying that it wants to lay aside the gun, so surely we must test whether that is sincere. If it is, nothing could be more important.

Mr. Richard Alexander (Newark): May I commend my hon. Friend for pointing out that those with a history of terrorism should not stress too much the terrorist aspects of their opponents? Would it not help the peace process considerably if both sides could sit around the table without attempting to hang perjorative labels around each other's necks?

Mr. Waldegrave: The hon. Member for Inverness, Nairn and Lochaber saw most clearly what I was trying to say in my comments on the past—that in the history of the world it is unusual for people to have the courage to lay aside their weapons, and that when they do we should pay tribute to them. The PLO says that that is what it is now doing, so surely we should test its sincerity to see whether what it is saying is true. We believe that it is, but I quite understand that the Israelis will not take my word for it, and that is why we need real negotiations.

Mr. Simon Burns (Chelmsford): I welcome my hon. Friend's trip to Tunis this weekend. Does he accept that opportunities must be given to the PLO so that it can prove that it has transformed itself from a belief in the use of violence to a belief in the use of peace? Will he convince the Israeli Government that any intransigence on their part that might forestall the beginning of the peace process, which would have been unheard of five years ago, will gravely damage the prospects of peace in the middle east and severely damage Israel's reputation with its numerous friends who wish it well?

Mr. Waldegrave: Of course, it was part of my objective —as I believe it was part of the objective of the right hon. Member for Gorton—in meeting Mr. Arafat to urge on him the importance of the maintenance of this moderate and clear position and to explain to him the need for some patience, because these matters will not be settled in a few weeks. Equally, it is important that the message should go from all Israel's friends that what it does can have a crucial impact on Arab and Palestinian opinion—for example, in relation to the Lebanon.

BREL (1988) Ltd.

The Minister for Public Transport (Mr. Michael Portillo): With permission, Mr. Speaker, I shall make a statement concerning BREL (1988) Ltd., formerly known as British Rail Engineering Ltd.

As the House knows, the Railways Board has selected a consortium of the management and employees of BREL, Trafalgar House plc and Asea Brown Boveri Ltd. as preferred bidder for the purchase of its engineering subsidiary BREL (1988) Ltd. The board's choice follows a competitive tender for the business. Bids were received from two groups.

The board and its advisers, Lazard Brothers, have undertaken extensive negotiations with both bidders over the past three months. The board's evaluation of their final offers showed that the bid from the consortium was the more attractive in financial terms, and that it also offered clear financial advantages over the option of the board retaining ownership of BREL. The board has also secured fair arrangements for the BREL staff, who will be transferring to the new owners, including provisions for pension rights and concessionary travel facilities.

The Government have taken independent advice from Lloyds merchant bank. We are satisfied that the board has followed normal commercial procedures in reaching its decision and has fully tested the market for potential purchasers.

At this stage, there are no grounds on which the Government wish to interfere with the board's commercial judgment. Subject to the final terms of the sale and purchase contract being satisfactory to the Government, we would expect to give consent to the sale in due course. Final clearance is also subject to approval by the European Commission and to the decision which my right hon. Friend the Secretary of State for Trade and Industry will take once he receives advice from the Director-General of Fair Trading. Subject to those points, I would hope that the sale could be completed as soon as possible.

BREL has been through a period of major change, reflecting the new investment being made in modern rolling stock and the reduction in repair work which follows from this. BREL has made good progress towards a modern, competitive railway engineering business. The people who work at BREL have played a major part.

The time is now right for BREL to move on into the private sector. BREL will now have more opportunities to diversify and compete for new business. The company should derive technological and commercial benefits, and access to the advanced engineering techniques of a world leading manufacturer.

As my right hon. Friend the Secretary of State said in November 1987, when he announced the decision to offer BREL for sale, privatisation will be good for the railway, good for the railway supply industry and good for BREL itself. I hope that the House will join me in wishing the company and its work force every success for the future.

Mr. Peter Snape (West Bromwich, East): Does the Minister accept that almost 20,000 jobs have been lost in British Rail Engineering Ltd. in the past five years and that the work force has been reduced by approximately 75 per cent., that the company has been systematically run down and starved of orders; that the state has picked up the financial bill necessary to achieve such a massive reduction and now the private sector is to gain all the assets?